

JOINT STIPULATION OF PAGA SETTLEMENT AND RELEASE

IT IS HEREBY STIPULATED AND AGREED by and between Plaintiff JOSE MUNIZ (“Plaintiff”), on behalf of himself, the State of California, and each of the Private Attorneys General Act (“PAGA”) Settlement Group Members (as defined herein), on the one hand, and Defendant LLOYD A. WISE CORP. (“Defendant”), on the other, (collectively, the “Parties”), subject to the approval of the Court pursuant to section 2699(l)(2) of the California Labor Code, that the Settlement of this Action (as defined herein) shall be effectuated and subject to the following terms and conditions.

I. DEFINITIONS

In addition to the other terms defined in this Agreement, the terms below have the following meaning:

1. **Action:** The civil action entitled *Jose Muniz v. Lloyd A. Wise Corp., et al.*, pending in the Superior Court of California, County of Sacramento, Case No. 34-2020-00289855.
2. **Administration Expenses Payment:** The amount, subject to Court approval, paid to the Settlement Administrator to reimburse it for reasonable expenses in accordance with the Settlement Administrator’s “not to exceed” bid submitted to the Court. If any administration expenses are not awarded by the Court, or if the actual administration expenses are lower than the amount estimated in the Settlement Administrator’s “not to exceed” bid, then the difference will become part of the Net Settlement Amount for distribution.
3. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement:** The settlement agreement reflected in this document, titled “Joint Stipulation Of PAGA Settlement And Release.”
4. **Attorney Costs Payment:** The amount, not to exceed Fifteen Thousand Dollars (\$15,000.00) and subject to Court approval, paid to Plaintiffs’ Counsel for reimbursement of actual litigation costs. The Attorney Costs Payment will be paid from the Gross Settlement Amount. If the Court approves less than the amount requested, or if the actual litigation costs are lower than the amount allocated by the Parties, the difference will become part of the Net Settlement Amount.
5. **Attorney Fee Payment:** The amount, not to exceed one-third (1/3) of the Gross Settlement Amount and subject to court approval, paid to Plaintiff’s Counsel. The Attorney Fee Payment shall be paid from the Gross Settlement Amount. If the Court approves less than the amount requested, any amount not awarded will become part of the Net Settlement Amount.

6. **Counsel for Defendant:** Jahmal T. Davis, Jennifer M. Martinez, Josue R. Aparicio, and Rachel J. Vinson, of Hanson Bridgett LLP.
7. **Defendant:** Lloyd A. Wise, Corp.
8. **Effective Final Settlement Date:** The date the Court enters the PAGA Settlement Approval Order.
9. **Gross Settlement Amount or GSA:** The total value of the Settlement is a non-reversionary Two Hundred Thousand Dollars and Zero Cents (\$200,000.00). This is the total amount Defendant can be required to pay under this Settlement Agreement. The Gross Settlement Amount includes: (1) the Payout Fund to be paid to Settlement Group Members; (2) the Attorney Fee Payment; (3) the Attorney Costs Payment; (4) the PAGA Representative Payment; (5) the Administration Expenses Payment; and (6) the LWDA Payment. No portion of the Gross Settlement Amount will revert to Defendant.
10. **Individual Settlement Share(s):** The amount payable to each Settlement Group Member under the terms of this Agreement.
11. **IWC:** California Industrial Welfare Commission.
12. **LWDA:** California Labor and Workforce Development Agency.
13. **LWDA Notice(s):** The letter or notice that Plaintiff submitted to the LWDA on or around September 9, 2020.
14. **LWDA Payment:** The LWDA Payment consists of seventy-five percent (75%) of the Net Settlement Amount, and will be distributed to the LWDA from the Net Settlement Amount in the time period described herein.
15. **Net Settlement Amount or NSA:** The total amount of money available for payout to Settlement Group Members and to the LWDA, after the following deductions from the GSA: (1) Attorney Fee Payment, (2) Attorney Costs Payment, (3) PAGA Representative Payment, and (4) Administration Expenses Payment. The NSA will be apportioned 75% payable to the LWDA, and 25% payable to the Settlement Group (the "Payout Fund").
16. **Notice of PAGA Settlement:** The document substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval, explaining the Settlement to the Settlement Group Members, which will accompany each Individual Settlement Share check.
17. **Notice Returns:** The Notice of PAGA Settlement that were mailed by the Settlement Administrator to Settlement Group Members, but were undelivered

and returned to the Settlement Administrator by the United States Postal Service.

18. **Complaint:** The Complaint filed in the Action on November 23, 2020.
19. **PAGA:** The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698, *et seq.*).
20. **PAGA Civil Penalties:** Any civil penalty that can be assessed or collected by the LWDA or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of the California Labor Code; and any civil penalty that may be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees pursuant to the PAGA, Labor Code §§ 2698 *et seq.*
21. **PAGA Period:** The time period from September 8, 2019 through the earlier of (a) the Effective Final Settlement Date, or (b) June 15, 2023.
22. **PAGA Representative or Plaintiff:** Jose Muniz.
23. **PAGA Representative Payment:** The amount the Court awards to Plaintiff for conferring a benefit upon the State and Settlement Group Members, which will not exceed \$10,000.00. If the Court awards less than the amount requested, then any amount not awarded will become part of the NSA.
24. **PAGA Settlement Approval Order:** The Court's order approving the proposed Settlement.
25. **PAGA Settlement Approval Hearing:** The hearing at which the Court will determine whether to approve the Settlement.
26. **PAGA Counsel or Plaintiff's Counsel:** Tim Del Castillo and Kent Bradbury of Castle Law: California Employment Counsel, P.C.; Brian S. Conlon and Nicholas A. Carlin of Phillips, Erlewine, Given & Carlin LLP; Jonathan Melmed and Laura Supanich of Melmed Law Group, PC; and Jonathan Durham of Law Offices of Jonathan Durham.
27. **Payout Fund:** The 25% of the NSA payable to Settlement Group Members.
28. **Qualified Settlement Fund or QSF:** The Parties agree that the Gross Settlement Amount is intended to be a "Qualified Settlement Fund" under Section 468B of the Tax Code and Treasury Regulations § 1.468B-1, 26 C.F.R. § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest

date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

29. **Released Parties:** Defendant Lloyd A. Wise Corp., as well as its past, present and/or future officers, directors, shareholders, employees, representatives, administrators, agents, principals, accountants, auditors, consultants, attorneys, insurers and reinsurers, facilities, and its respective heir(s) and/or assigns, successors and predecessors in interest.
30. **Settlement Administrator:** The third party administrator agreed upon by the Parties to administer this Settlement.
31. **Settlement Group:** All current and former non-exempt, hourly and/or commissioned-based employees employed by Defendant Lloyd A. Wise Corp. in the State of California during the PAGA Period.
32. **Settlement Group Member:** Each person eligible to participate in this Settlement who is a member of the Settlement Group as defined above.
33. **Settlement Group Members' Data:** The data that Defendant shall provide to the Settlement Administrator, which is to include, in a searchable electronic format, the following for each Settlement Group Member: (i) full name, (ii) last known address, (iii) last known telephone number, (iv) social security number, and (v) the number of pay periods worked by each Settlement Group Member during the PAGA Period. The Settlement Group Members' Data shall be based on Defendant's payroll, personnel, and other business records. The Settlement Group Members' Data shall be held as private and confidential information, and shall not be shared with any third party by the Settlement Administrator without the express written consent of Defendant's counsel of record or court order.
34. **Superior Court or Court:** The Superior Court of California, County of Sacramento.

II. FACTUAL AND PROCEDURAL BACKGROUND

35. On or around September 9, 2020, Plaintiff, through his counsel of record, submitted a letter to the LWDA in accordance with the requirements of Labor Code section 2699.3(a) ("LWDA Notice"). The LWDA Notice alleged that Plaintiff was unlawfully terminated after he took sick days off work. It also alleged that Lloyd A. Wise Corp. and Lloyd A. Wise Motors, Inc. had violated a number of Labor Code sections, including 201-203, 204, 226, 226.3, 226.7, 256, 510, 511, 1174, 1194, 1197, 1197.1, 2802, and all applicable Industrial Welfare Commission ("IWC") Wage Orders.
36. On November 23, 2020, Plaintiff Jose Muniz initiated this Action by filing a complaint in the Superior Court of California, County of Sacramento. The

Complaint alleged that Plaintiff was unlawfully terminated after he took sick days off work. It also alleged a PAGA cause of action on behalf of Plaintiff and other aggrieved employees employed by Lloyd A. Wise Corp. and Lloyd A. Wise Motors, Inc. in the state of California for violations of Labor Code sections 201-203, 204, 226, 226.3, 226.7, 256, 510, 511, 1174, 1194, 1197, 1197.1, 2802, and all applicable IWC Wage Orders.

37. On March 4, 2021, Defendants Lloyd A. Wise Corp. and Lloyd A. Wise Motors, Inc. filed an Answer to the Complaint, affirmatively denying, generally and specifically, all claims raised in the Complaint and asserted various affirmative defenses.
38. On October 11, 2021, the Parties engaged in an early mediation session, but were unsuccessful in resolving this Action. On June 2, 2022, the Parties engaged in a second mediation session, but were again unsuccessful. However, the Parties continued to negotiate at arms-length through counsel in the months following the mediation, but once again were unsuccessful.
39. On July 27, 2022, Plaintiff filed a Request for Dismissal to dismiss Lloyd A. Wise Motors, Inc. from this Action with prejudice.
40. In March 2023, the Parties continued arm's length negotiations through their respective counsel, and, on April 4, 2023, the Parties reached an agreement in principle to settle this Action, the terms of which are reflected herein.
41. The Parties reached this Settlement only after extensive discovery and investigation, including exchanging substantial documents and information through formal discovery and informal document productions. Prior to mediation, Defendant produced, and Plaintiff reviewed, a substantial amount of data and documents relating to the size and scope of the PAGA Settlement Group that permitted an analysis and evaluation of the statewide claims.

III. ACKNOWLEDGMENTS

42. **Estimated Number of Aggrieved Employees:** Based on its review of its records to date, Defendant estimates there are approximately 206 Settlement Group Members.
43. **Fair, Adequate, and Reasonable Settlement:** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action, and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.
44. **Benefits of Settlement to Settlement Group Members:** Plaintiff and Plaintiff's Counsel recognize the expense and length of continued proceedings

necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff and Plaintiff's Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. After having engaged in extensive settlement negotiation, Plaintiff and Plaintiff's Counsel believe the settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Settlement Group Members.

45. **Benefits of Settlement to Defendant:** While Defendant maintains that it complied with applicable law at all times and that Plaintiff's claims are meritless, Defendant also recognizes that the continued defense of the Action will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendant has been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant, therefore, enters into this Agreement and conditional Settlement with no admission of liability whatsoever, and for the sole purpose of compromising and settling the Action to avoid the cost, uncertainty and operational burden of continuing litigation.
46. **No Admission of Liability:** This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims and allegations in the Action have merit or that Defendant bears any liability to Plaintiff, the State of California, or the Settlement Group Members on such claims or any other claims. Defendant vigorously denies the claims and each of the allegations asserted in this Action. Defendant further specifically denies any non-compliance, intentional or otherwise, with the statutory requirements of the California Labor Code and/or the applicable IWC Wage Orders. Defendant also denies that Plaintiff or any of the Settlement Group Members have suffered damages by virtue of Defendant's conduct, or that Defendant's conduct warrants penalization.
47. **Reservation of Rights:** Defendant expressly reserves the right and declares that it intends to oppose and defend against this Action vigorously should this Settlement not be granted approval by the Court or be modified or reversed on appeal or otherwise not become final. If for any reason this Agreement does not become effective, Defendant reserves the right to defend against this Action on any basis. Defendant does not concede the merits of Plaintiff's contentions, nor the existence of any damages or penalties, but has agreed to resolve the litigation through this Settlement in recognition of the expense and risk of continuing with the litigation and in the belief that the settlement is fair, adequate and reasonable. Therefore, in entering into this Agreement, it is the Parties' mutual intention and agreement that if for any reason this Settlement Agreement does not become final, Defendant will retain all rights to defend against this Action, and the fact of this Settlement may not be used by Plaintiff in support of any argument against Defendant. Defendant will not be deemed

to have waived, limited, or affected in any way any of its claims, rights, remedies, objections or defenses in the Action.

48. **Non Evidentiary Use:** Neither this Agreement nor its terms, nor any statements or conduct in the negotiation or drafting of it, shall be admissible, offered or used as evidence by Plaintiff, any Settlement Group Members, or their respective counsel in the Action or in any other proceeding as evidence of liability or wrongdoing by Defendant and/or the Released Parties, or for any purpose whatsoever. This Agreement may be used by Defendant and/or the Released Parties to prove or defend against any claim released herein by Plaintiff or any Settlement Group Member in any claim or threatened claim, including but not limited to any judicial, quasi-judicial, administrative, or governmental proceeding. This Agreement shall not be subject to collateral attack by any Settlement Group Member. Such prohibited collateral attack shall include, but is not be limited to claims the Settlement Group Members failed, for any reason, to timely receive or cash his or her Settlement Payment.

IV. SETTLEMENT TERMS AND CONDITIONS

49. **Gross Settlement Amount:** Subject to the terms and conditions of this Agreement, Defendant shall pay the maximum Gross Settlement Amount (“GSA”) of Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) as a non-reversionary, all-inclusive settlement amount to settle this Action.
- A. **Funding the Settlement.** Defendant will fund the GSA by depositing the sum into an escrow account to be established by the Settlement Administrator as approved by the Court, which funds shall be held in trust for the Settlement and created as a QSF as specified in Paragraph 63. Under no circumstances will Defendant be required to pay more than the GSA.
- B. **Condition Precedent to Funding Settlement.** Defendant shall wire the GSA to the Settlement Administrator within thirty (30) calendar days of the Effective Final Settlement Date, provided that Counsel for Defendant has received: (i) fully completed and signed IRS W-9 Forms from both Plaintiff Jose Muniz and his counsel, Castle Law: California Employment Counsel, P.C.; and (ii) complete wiring instructions from the Settlement Administrator as set forth in Paragraph 61 herein.
50. **Individual Settlement Share:** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Settlement Share from the Payout Fund to each Settlement Group Member.
- A. **Individual Settlement Share Calculation.** Each Settlement Group Member will receive a proportionate share of the Payout Fund, the value of which ties directly to the amount of pay periods that he or she worked during the PAGA Period. The Settlement Administrator will calculate

each Individual Settlement Share by (i) dividing the number of pay periods he or she worked for Defendant during the PAGA Period, based on the Settlement Group Member Data provided by Defendant, by the total number of pay periods worked by all Settlement Group Members during the PAGA Period based on the same database, and (ii) multiplying the result by the amount of the Payout Fund. One day worked in a given pay period will be credited as a pay period for purposes of this calculation.

- B. No Tax Withholdings.** Each Settlement Group Member's gross Individual Settlement Share will be apportioned as 100% penalties and shall be reported on an IRS Form 1099. Payroll tax withholdings and deductions will not be withheld from these Individual Settlement Shares. Plaintiff and each Settlement Group Member bear the full responsibility for payment of any taxes or withholding that are found to be owed from the Individual Settlement Share. Neither Plaintiff's Counsel nor Defendant's Counsel intend anything contained herein to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall it be relied on as such. The tax issues for Plaintiff and each Settlement Group Member are unique, and Plaintiff and each Settlement Group Member may obtain tax advice from his or her own tax advisor with respect to any payments resulting from this Settlement.

51. GSA Disbursement Recipients: Subject to the terms and conditions of this Agreement, the Settlement Administrator shall disburse the GSA to the following:

- A. To the Plaintiff.** In addition to Plaintiff's Individual Settlement Share, and subject to Court approval, Plaintiff will receive up to Ten Thousand Dollars and Zero Cents (\$10,000.00). The Settlement Administrator will pay the PAGA Representative Payment out of the GSA. Payroll tax withholdings and deductions will not be taken from the PAGA Representative Payment. An IRS Form 1099 will be issued to Plaintiff with respect to the PAGA Representative Payment.
- B. To Plaintiff's Counsel.** Plaintiff's Counsel will apply to the Court for a total Attorney Fee Payment not to exceed one-third (33.33%) of the GSA or Sixty Six Thousand Six Hundred and Sixty Six Dollars and Sixty Six Cents (\$66,666.66), and an Attorney Cost Payment not to exceed Fifteen Thousand Dollars (\$15,000.00). The Settlement Administrator will pay the court-approved amounts for the Attorney Fee Payment and Attorney Cost Payment out of the GSA. Payroll tax withholding and deductions will not be taken from the Attorney Fee Payment or the Attorney Cost Payment. An IRS Form 1099 will be issued to Plaintiff's Counsel with respect to the Attorney Fee Payment. In the event the Court does not approve the entirety of the application for the Attorney Fee Payment and/or the Attorney Cost Payment, the Settlement Administrator shall pay whatever amount the

Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Plaintiff's Counsel for the Attorney Fee Payment and/or Attorney Cost Payment, the difference shall become part of the Net Settlement Amount ("NSA").

C. To the Settlement Administrator. The Settlement Administrator will pay to itself the Administration Expenses Payment (reasonable fees and expenses) approved by the Court. This will be paid out of the GSA. If the actual amount of administration expenses is less than the amount allotted, the difference shall become part of the NSA.

52. NSA Disbursement Recipients: After the foregoing GSA Disbursements are made, the remainder of the GSA after disbursing the items in Paragraph 51 herein shall constitute the NSA. Subject to the Court's approval, the NSA will be allocated as follows:

A. To the LWDA. The Settlement Administrator will pay to the LWDA Seventy-Five Percent (75%) of the NSA.

B. To Settlement Group Members. The Settlement Administrator will pay to Settlement Group Members the Payout Fund, which represents Twenty-Five Percent (25%) of the NSA, according to the Individual Settlement Share calculations set forth in Paragraph 50.

V. SETTLEMENT APPROVAL

53. Motion for Settlement Approval: No later than thirty (30) calendar days from the execution of this Agreement, Plaintiff's Counsel shall file and serve a Motion for PAGA Settlement Approval pursuant to California Labor Code section 2699(l)(2), advocating that the terms of this Settlement are fair, adequate and reasonable, and directing the Parties to carry out the provisions of this Settlement. The Parties acknowledge that, under applicable law, the Action is not a class action governed by the approval procedures of Class Action settlements under California law and thereon agree that the Individual Settlement Shares shall be distributed without a claims process, notice, or an opportunity to object or opt-out.

54. Submissions to LWDA: Plaintiff's Counsel shall submit a copy of this Agreement to the LWDA at the same time it is submitted to the Court in accordance with the requirements set forth in Section 2699(l)(2). Plaintiff's Counsel shall also be responsible for submitting to the LWDA a copy of the Court's judgment and any other orders that award or deny penalties to the LWDA.

55. **Approval Hearing:** At the approval hearing, Plaintiff, Defendant, and their respective counsel shall ask the Court to give approval to this Agreement. Upon granting approval of the Settlement contained herein, the Court shall also enter an Order implementing the releases contained in Section VII as to Plaintiff and all Settlement Group Members. The releases contained in Section VII of this Agreement shall enter into effect on the Effective Final Settlement Date.
56. **Effect of Denial of Settlement Approval:** Should the Court decline to approve the Settlement, the Settlement Agreement will be null and void, and the Parties will have no further obligations under it. Provided, however, that the amounts of the Attorney Fee Payment, Attorney Cost Payment, Administration Expenses Payment, and PAGA Representative Payment shall be determined by the Court, and the Court's approval or denial of any amount requested for these items are not conditions of this Settlement Agreement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement. Any order or proceeding relating to an application for the Attorney Fee Payment, Attorney Cost Payment, Administration Expenses Payment, and PAGA Representative Payment shall not operate to terminate or cancel this Settlement Agreement.
57. **Proposed Order and Judgment:** Upon Approval of the Settlement, the Parties shall present to the Court a proposed PAGA Settlement Approval Order, approving of the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the Action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters; and (3) addressing such post-Judgment matters as may be appropriate under Court rules and applicable law.
58. **Cooperation in Obtaining Court Approval:** The Parties agree that the Settlement is fair and reasonable, and will so represent to the Court. The Parties shall timely cooperate and present to the Court, for its consideration in connection with the approval of the Settlement, any and all evidence as may be reasonably necessary under the appropriate standards for approving the Settlement, and do all things reasonably necessary to consummate the Settlement, including continuing good faith efforts to effectuate this Settlement should the Court deny approval. The Parties shall use their best efforts to comply with all terms contemplated by this Settlement and any other efforts that may become necessary by order of the Court to effectuate this Settlement and the terms set forth herein.
59. **Vacating, Reversing, or Modifying Judgment on Appeal:** If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would

include, but not necessarily be limited to, any alteration of the GSA, an alteration in the calculation of the NSA, and any change to the calculation of the Individual Settlement Shares.

VI. SETTLEMENT ADMINISTRATION

60. **Settlement Administrator:** The Parties agree to select Phoenix Settlement Administrators as the Settlement Administrator to administer the Settlement. Settlement Administration duties shall include performing a single address follow up on any returned mail, and the calculation, processing, and mailing of all Individual Settlement Shares and tax forms, if required, to the Settlement Group Members and tax authorities.
61. **Wiring Instructions:** As soon as practicable and no later than two (2) business days following the Effective Final Settlement Date, the Settlement Administrator shall provide to Defendant complete wiring instructions for the GSA, including, without limitation, the name of the account, name of the bank, routing number, and bank account number or such other pertinent information which might be required by Defendant in order to effectuate payment in accordance with the terms of the Agreement.
62. **Settlement Group Data:** Within fourteen (14) calendar days after entry of the PAGA Settlement Approval Order, Defendant shall deliver to the Settlement Administrator the Settlement Group Members' Data. If any or all of this information is unavailable to Defendant, Defendant will so inform Plaintiff's Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information.
63. **Qualified Settlement Fund:** "QSF" shall mean the Qualified Settlement Fund established by the Settlement Administrator for the benefit of the Settlement Group Members and from which all payments under this Agreement shall be paid. The Settlement Administrator shall have its own Employer Identification Number under Internal Revenue Service Form W-9 and shall use its own Employer Identification Number and shall transmit the required employers' and employees' share of the withholdings, if any, to the appropriate state and federal tax authorities. The Settlement Administrator shall establish a settlement fund that meets the requirements of a QSF under U.S. Treasury Regulation section 468B-1 and section 468B of the Internal Revenue Code of 1986, as amended (the "Code"). The QSF shall be an interest-bearing account at a federally insured bank that is mutually acceptable to the Parties and the Settlement Administrator. The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treas. Reg. Section 1.468B-1, 26 CFR Sections 1.468B-1, *et seq.*, and will be administered by the Settlement Administrator as such.

With respect to the QSF, the Settlement Administrator shall: (1) open and administer in such a manner as to qualify and maintain the qualification of the QSF as a “Qualified Settlement Fund” under Section 468B of the Code and Treas. Reg. Section 1.468B-1; (2) satisfy all federal, state, and local income and other tax reporting, return, and filing requirements with respect to Defendant and the QSF and any interest or other income earned by the QSF; and (3) satisfy out of the QSF all (i) taxes (including any estimated taxes, interest, or penalties) with respect to the interest or other income earned by the QSF, and (ii) fees, expenses, and costs incurred in connection with the opening and administration of the QSF and the performance of its duties and functions as described in this Agreement. The aforementioned taxes, fees, costs, and expenses shall be treated as, and included in, the costs of administering the QSF and as Settlement Administration Costs. The Settlement Administrator shall provide copies to Defendant of any federal, state, and local income or other tax reporting, return, and filing prepared on Defendant’s behalf. The Parties agree to cooperate with the Settlement Administrator and one another to the extent reasonably necessary to carry out the provisions of this Section.

The Settlement Administrator shall provide, as appropriate, an IRS Form 1099 to each Settlement Group Member, Plaintiff, and Plaintiff’s counsel. The Settlement Administrator shall be treated as an “administrator” as defined at Treasury Regulation section 1.468B-2(k) for purposes of federal and state income tax reporting with respect to the distributions and payments made under this Agreement. Accordingly, Forms 1099 will be distributed by the Settlement Administrator at times and in the manner required by the Code and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set forth in this section may be modified in a manner to comply with any such changes.

- 64. Disbursement of the Settlement:** The Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court’s PAGA Settlement Approval Order. The Settlement Administrator shall keep Defendant’s Counsel and Plaintiff’s Counsel apprised of all distributions from the GSA and NSA. The Settlement Administrator shall respond to questions from Defendant’s Counsel and Plaintiff’s Counsel. No person shall have any claim against Defendant, Defendant’s Counsel, Plaintiff, Plaintiff’s Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

- A. Funding the GSA.** Defendant shall deposit the GSA with the Settlement Administrator no later than thirty (30) calendar days after the Effective Final Settlement Date. Defendant shall be deemed to have fully met its payment obligations under this Agreement upon transfer and/or deposit of the GSA and shall assume no responsibility for the security or distribution of settlement funds following transfer and/or deposit of the GSA. Defendant

shall have no further obligations under this Agreement after transferring the GSA to the Settlement Administrator.

- B. Timing of Disbursement.** Pursuant to the terms of this Agreement, within thirty (30) calendar days after Defendant deposits the GSA, the Settlement Administrator shall cause checks to be disbursed to: (1) the Payout Fund to be paid to Settlement Group Members; (2) the Attorney Fee Payment and Attorney Cost Payment to Plaintiff's Counsel for attorneys' fees and costs, as approved by the Court; (3) the PAGA Representative Payment paid to Plaintiff, as approved by the Court; (4) the Administration Expenses Payment, as approved by the Court; and (5) the LWDA Payment to the LWDA, as approved by the Court.
- C. Notice of PAGA Settlement.** The distribution of Individual Settlement Shares shall be accompanied by the Notice of PAGA Settlement.

65. Uncashed Checks:

- A. Check Expiration.** Checks will remain negotiable for one hundred and eighty (180) calendar days from the date that settlement checks are mailed.
- B. Undeliverable Checks.** Any Individual Settlement Share check returned to the Settlement Administrator as undelivered shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Individual Settlement Share. If an updated mailing address is identified, the Settlement Administrator shall resend the Individual Settlement Share to the Settlement Group Member promptly, and in any event within three (3) business days of obtaining the updated address.
- C. Cancelled Checks.** If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks.
- D. Uncashed Funds.** All funds associated with the Individual Settlement Share checks returned as undeliverable and funds associated with those Individual Settlement Share checks remaining un-cashed, shall be distributed to the State Controller under the Unclaimed Property Law, California Code of Civil Procedure section 1500, *et seq.*

66. Post-Distribution Declaration: Within two hundred (200) calendar days of distributing the GSA, the Settlement Administrator shall provide to the Parties, for filing with the Court, a declaration verifying, under oath, that the Settlement

Administrator has made disbursement of the GSA pursuant to the terms of this Agreement and the Court's PAGA Settlement Approval Order. In this declaration, the Settlement Administrator shall also provide an explanation of efforts to resend Notice Returns, a summary of claims paid, how many and the total amount of settlement checks that went uncashed, how many and the amounts that were undeliverable, and when the uncashed settlement funds were sent to the State Controller.

VII. RELEASE OF CLAIMS

67. **Plaintiff's Release of Claims and General Release:** In exchange for the consideration provided by Defendant to Plaintiff under this Agreement, Plaintiff irrevocably and unconditionally releases, acquits, and forever discharges Defendant, as well as its past, present and/or future officers, directors, shareholders, employees, representatives, administrators, agents, principals, accountants, auditors, consultants, attorneys, insurers and reinsurers, and its respective heir(s) and/or assigns, successors and predecessors in interest, affiliates, operating entities, divisions, facilities, parent or related corporate entities/companies, subsidiaries and affiliated corporations and entities, from any and all claims, demands, rights, liabilities and causes of action that he has or could have against Defendant regarding his employment from the beginning of time through the end of the PAGA Period ("Plaintiff's Released Claims"), as set forth herein. Plaintiff's Released Claims include, but are not limited to, any and all known and unknown claims for violation of the California Labor Code, the Private Attorneys General Act, the applicable IWC Wage Orders or any similar state or federal law, whether for economic damages, non-economic damages, liquidated damages, punitive damages, restitution, penalties, alleged unpaid wages, interest, other monies, or other relief based on any facts, circumstances, transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failures to act that have been asserted or could have been asserted based on the facts alleged in this litigation, including any and all claims that Plaintiff has arising out of or relating directly or indirectly in any manner whatsoever to his employment with Defendant, as well as the facts alleged or which could have been alleged or asserted in Plaintiff's LWDA Notice or Plaintiff's Complaint.

Plaintiff understands and expressly agrees that the general release set forth herein includes a general release of all claims and a waiver of rights under Code of Civil Procedure Section 1542, including but not limited to the Released Claims, and a release of any and all claims under the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family Medical Leave Act, Title VII of the Civil Rights Act, the California Fair Employment and Housing Act and the California Family Rights Act, and any claim based on an alleged tort, violation of contract, violation of state or federal constitution, or other local, state, or federal law. Plaintiff shall also waive the right to participate in, or to receive recovery from, any other representative action,

collective action, class action or PAGA action brought by any other employee against Defendant that covers the PAGA Period. Plaintiff, on his behalf and on behalf of his spouse, heirs, successors and assigns, understands and expressly waives the benefits of California Civil Code § 1542 and agrees that this Agreement extends to all of his claims against Defendant, as well as its past, present and/or future officers, directors, shareholders, employees, representatives, administrators, agents, principals, accountants, auditors, consultants, attorneys, insurers and reinsurers, and its respective heir(s) and/or assigns, successors and predecessors in interest, affiliates, operating entities, divisions, facilities, parent or related corporate entities/companies, subsidiaries and affiliated corporations and entities, regardless of nature or kind, whether known or unknown, suspected or unsuspected, vested or contingent, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, arising from or attributable to any incident or event, occurring in whole or in part, on or before the Parties' execution of this Settlement Agreement, including but not limited to all claims arising out of, based upon, or relating to Plaintiff's employment with Defendant or the remuneration for, or termination of, such employment, and that any and all rights granted under any state or federal law or regulation limiting the effect of this Agreement, including the provisions of Section 1542 of the California Civil Code, ARE HEREBY EXPRESSLY WAIVED. Plaintiff's release includes a waiver of California Civil Code section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Thus, notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of Defendant and its past, present and/or future officers, directors, shareholders, employees, representatives, administrators, agents, principals, accountants, auditors, consultants, attorneys, insurers and reinsurers, and its respective heir(s) and/or assigns, successors and predecessors in interest, affiliates, operating entities, divisions, facilities, parent or related corporate entities/companies, subsidiaries and affiliated corporations and entities, Plaintiff expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all claims which he does not know or suspect to exist in his favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claim or claims. This release excludes any release of any claims not permitted to be released by law.

- 68. Settlement Group Members' Release of Claims:** As of the Effective Final Settlement Date, Settlement Group Members, the state of California, and the

LWDA shall release the Released Parties from any and all claims for PAGA Civil Penalties arising from work performed by any Settlement Group Member in the service of Defendant at or for Nissan of Sacramento during the PAGA Period that were alleged in Plaintiff's LWDA Notice and/or his Complaint, and all claims reasonably related to or arising from the claims asserted in Plaintiff's LWDA Notice and/or his Complaint, including violations of Labor Code sections 201-203, 204, 226, 226.3, 226.7, 256, 510, 511, 1174, 1194, 1197, 1197.1, 2802, and all applicable IWC Wage Orders ("Settlement Group Members' Released Claims").

The express purpose of this Settlement is to forever bar Plaintiff, the LWDA, the state of California and any Settlement Group Member from acting on behalf of or purporting to act on behalf of the LWDA or the state of California, from asserting any of the Settlement Group Members' Released Claims against the Released Parties in any future litigation. It is the intent of the Parties that, to the greatest extent provided by law, including under the holding of *Arias v. Superior Court* (2009) 46 Cal.4th 969, 986, the ability of Plaintiff, the State of California, the LWDA or any Settlement Group Member to bring any of the Settlement Group Members' Released Claims against the Released Parties is completely and forever foreclosed from the beginning of time until the end of the PAGA Period. Any Party to this Settlement Agreement may use the Settlement Agreement to assert that this Settlement and the judgment entered by the Court following approval bars any later-filed action from asserting any of the Settlement Group Members' Released Claims against any of the Released Parties.

VIII. MISCELLANEOUS TERMS

69. **Attorneys' Fees, Costs and Expenses:** Except as otherwise specifically provided for herein, each Party shall bear his or its own attorneys' fees, costs and expenses. In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover attorneys' fees and costs.
70. **No Public Statements:** The Parties agree and acknowledge that neither Plaintiff, Defendant, nor their respective counsel will issue any press releases/comment to the press concerning this Settlement.
71. **No Inducement:** Plaintiff and Defendant acknowledge that they are entering into this Agreement as a free and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever, and that neither Plaintiff nor Defendant have relied on any promises, representations, or warranties regarding the subject matter hereof other than as set forth in this Agreement.
72. **No Disparagement:** Plaintiff agrees not to make any disparaging comments about Defendant or the Released Parties to any other person, firm or entity of any type or to otherwise engage in any disparaging or defamatory conduct

toward Defendant or the Released Parties, and hereby acknowledges that Defendant will have available all rights and remedies under the law, including but not limited to, actions for libel, slander, and business slander.

73. **No Incitement:** Plaintiff agrees that he will not encourage or incite, directly or indirectly, any person including, but not limited to, current or former employees of Defendant, to assert any complaint or claim, or to initiate any legal proceeding against Defendant or the Released Parties. Plaintiff further agrees that he will not encourage or incite, directly or indirectly, any person including, but not limited to, current or former employees of Defendant, to engage in conduct that violates any of the provisions of this Agreement. Plaintiff acknowledges that any incitement of others to file claims would constitute a material breach of this Agreement. Nothing in this paragraph limits Plaintiff's responsibility to respond truthfully under subpoena, court order, or as otherwise required by law.
74. **No Admission of Liability:** Defendant make no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendant reserves the right to contest any issues relating to this litigation and liability if the Settlement is not approved. Defendant denies that it has engaged in any unlawful activity, denied it has failed to comply with the law in any respect, and denies it has any liability to anyone under the claims asserted in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant of liability or wrongdoing.
75. **No Effect on Employee Benefits:** The PAGA Representative Payment and/or Individual Settlement Shares paid to Plaintiff and Settlement Group Members shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacation, holiday pay, retirement plans, etc.) of Plaintiff or the Settlement Group Members. The Parties agree that any PAGA Representative Payment and/or Individual Settlement Share paid to Plaintiff or the Settlement Group Members under the terms of this Agreement do not represent any modification of Plaintiff's or Settlement Group Members' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Further, any PAGA Representative Payment shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.
76. **Integrated Agreement:** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other

than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.

77. **Authorization to Enter Into Settlement Agreement:** Plaintiff's Counsel and Defendant's Counsel warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.
78. **Exhibits and Headings:** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.
79. **Interim Stay of Proceedings:** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Settlement Approval hearing to be conducted by the Court.
80. **Amendment or Modification of Agreement:** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.
81. **Agreement Binding on Successors and Assigns:** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
82. **No Prior Assignment:** Plaintiff hereby represents, covenants, and warrants that he has not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
83. **Applicable Law:** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of

California, without giving effect to any conflict of law principles or choice of law principles.

84. **No Tax or Legal Advice:** It is understood and agreed that neither Defendant, Defendant's Counsel, nor Plaintiff's Counsel are providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Settlement Group Members will assume any such tax obligations or consequences that may arise from this Agreement, and that Settlement Group Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Settlement Group Members, such Settlement Group Member assumes all responsibility for the payment of such taxes. Plaintiff and the Settlement Group Members should consult with their tax advisors concerning the tax consequences of the Individual Settlement Shares they receive pursuant to this Stipulation.
85. **Tax Consequences:** Defendant makes no representations or warranties with respect to the tax consequences of the payments made under this Agreement. Plaintiff agrees and understands that he is responsible for payment, if any, of local, state, and/or federal taxes on the payment made as consideration herein. Plaintiff further agrees to indemnify and hold Defendant harmless from any claims, demands, deficiencies, penalties, interest, assessments, judgments, or recoveries by any government agency against Defendant for any amounts claimed due on account of (a) Plaintiff's failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by Defendant by reason of any such claims, including attorneys' fees and costs.
86. **Jurisdiction of the Court:** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.
87. **Invalidity of Any Provision; Severability:** Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.
88. **Cooperation in Drafting:** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against

any Party on the basis that the Party was the drafter or participated in the drafting.

89. **Execution in Counterpart:** This Stipulation may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile, PDF, DocuSign (or similar e-signature) signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IX. EXECUTION BY PARTIES AND COUNSEL

IN WITNESS WHEREOF, the Parties hereto execute this Agreement and have caused this Agreement to be executed by their duly authorized representatives. The date of the Agreement shall be the date of the latest signature.

Dated: Feb 14, 2024

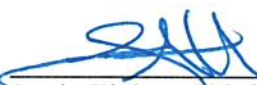
Jose Muniz, Plaintiff



Jose Muniz

Dated: 2/19/24

Lloyd A. Wise Corp., Defendant

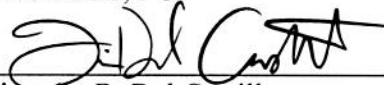


Justin Tinker, Chief Financial Officer for
Lloyd A. Wise Corp.

APPROVED AS TO FORM

Dated: February 14, 2024

CASTLE LAW: CALIFORNIA EMPLOYMENT
COUNSEL, PC



Timothy B. Del Castillo
Kent L. Bradbury
Counsel for Plaintiff

Dated:

PHILLIPS, ERLEWINE, GIVEN & CARLIN LLP

Brian Conlon
Counsel for Plaintiff

Dated: February 12, 2024

MELMED LAW GROUP P.C.



Jonathan Melmed
Counsel for Plaintiff

Dated:

HANSON BRIDGETT, LLP

Jahmal Davis
Josue Aparicio
Counsel for Defendant

Dated:

PHILLIPS, ERLEWINE, GIVEN & CARLIN LLP

Brian Conlon
Counsel for Plaintiff

Dated:

MELMED LAW GROUP P.C.

Jonathan Melmed
Counsel for Plaintiff

Dated: February 19, 2024

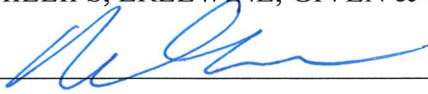
HANSON BRIDGETT, LLP



Jahmal Davis
Josue Aparicio
Counsel for Defendant

Dated: 2/7/24

PHILLIPS, ERLEWINE, GIVEN & CARLIN LLP



~~Brian Conlon~~ NICHOLAS A. CARLIN
Counsel for Plaintiff

Dated:

MELMED LAW GROUP P.C.

Jonathan Melmed
Counsel for Plaintiff

Dated:

HANSON BRIDGETT, LLP

Jahmal Davis
Josue Aparicio
Counsel for Defendant